



**Healthcare Distribution Management Association (HDMA)**  
**Statement in Opposition to SB 5, an Act Establishing a Surcharge on the Manufacture and**  
**Distribution of Opioids and Funding Opioid Abuse Prevention and Treatment**  
**Connecticut Joint Finance, Revenue and Bonding Committee**  
**March 28, 2016**

Co-Chairman Fonfara and Co-Chairman Berger and members of the Joint Finance, Revenue and Bonding Committee, thank you for the opportunity to submit written comments regarding SB 5.

HDMA is the national trade association representing primary pharmaceutical distributors. Pharmaceutical distributors provide cost efficiencies by filling the position in the supply chain between the manufacturer and the point of dispensing. More specifically, manufacturers sell their product in large quantity to distributors, and distributors warehouse and deliver products to the setting of care in a just-in-time manner.

Each business day, HDMA member companies ensure that 15 million prescription medicines and healthcare products are delivered safely and efficiently to nearly 200,000 sites of care throughout the United States. HDMA and its members work daily to provide value and achieve cost savings, an estimated \$42 billion each year to our nation's healthcare system.

HDMA and our member companies are committed to the safety and security of our supply chain. While HDMA distributor members do not manufacture pharmaceuticals or interact directly with patients<sup>1</sup>, the pharmaceutical distribution industry is committed to addressing the serious epidemic of prescription drug abuse. Our member companies work closely with state and federal regulatory and law enforcement agencies to prevent drug diversion and mitigate misuse and abuse. Additionally, HDMA members have developed materials and awareness campaigns to help educate the public about the serious dangers of prescription drug abuse.

Any plan to confront the abuse epidemic must be based on a multilayered strategy and must be carefully balanced to improve effective enforcement while ensuring appropriate access for patients with legitimate prescription therapy needs. To strike this balance, HDMA is supportive of state and federal efforts to drive toward comprehensive solutions incorporating education, prevention, and treatment, such as:

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<sup>1</sup> Note that the core business of pharmaceutical distributors is wholesale distribution of drugs and other healthcare products; however, some of HDMA's member companies do have other, separate business units that are engaged in other supply chain roles.

- CT SB 353 – an act concerning opioid abuse (directed CT Alcohol and Drug Policy Control studies and recommendations on combatting opioid abuse including prevention methods for safer drug prescribing and dispensing strategies);
- CT SB 352 – an act concerning prescriptions for and the dispensing of opioid antagonists (includes consideration of prescription supply limits for minors and new adult patients);
- CT HB 5508 – an act providing funding from drug assets forfeiture revolving account for inpatient drug treatment services;
- U.S. Senate Bill 483 – Ensuring Patient Access and Effective Drug Enforcement Act of 2016 (to improve enforcement efforts related to prescription drug diversion and abuse);
- U.S. Senate Bill 524 – Comprehensive Addiction and Recovery Act (directs the federal Dept of HHS to convene a best practices inter-agency task force on prescribing for pain management and authorizes the Attorney General to make significant state grants to promote treatment and recovery)
- Federal HHS funding directly to the states to improve and expand the delivery of substance abuse services in health centers with a focus on opioid use disorders in underserved populations (NOTE: the State of Connecticut recently received \$2.5M to assist seven health centers)

We agree that the pharmaceutical supply chain has an important role to play in the fight against prescription drug abuse. However, **SB 5 is not a viable option** for pharmaceutical distributors. Furthermore, implementing a new tax or assessment on Connecticut businesses, especially when there are asset forfeiture funds and federal grants available, is bad public policy.

HDMA and our members are committed to working the General Assembly on this issue. **HDMA urges the General Assembly to support comprehensive approaches to address prescription drug abuse and leverage existing state/federal resources to do so.** We can be contacted for additional questions or more information by connecting with Gary Riddle (VP, HDMA State Government Affairs) at [glriddle@hdmanet.org](mailto:glriddle@hdmanet.org) or 703/885-0236.

Thank you for consideration of our testimony.